

E-111/M-94-344 ORDER APPROVING ANNUAL CONSERVATION PROGRAM REPORT  
AND ANNUAL TRACKER REPORT

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm  
Tom Burton  
Marshall Johnson  
Cynthia A. Kitlinski  
Dee Knaak

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Review of Dakota Electric Association's Annual Conservation Program Report and Annual Tracker Account Report

ISSUE DATE: August 4, 1994

DOCKET NO. E-111/M-94-344

ORDER APPROVING ANNUAL CONSERVATION PROGRAM REPORT AND ANNUAL TRACKER REPORT

**PROCEDURAL HISTORY**

On September 25, 1992, the Commission issued its ORDER APPROVING PROPOSALS AND REQUIRING FURTHER FILINGS in Docket No. E-111/GR-91-74. In that Order, the Commission approved Dakota Electric Association's (DEA's or the Cooperative's) Energy Grant Pilot Project and the establishment of a conservation tracker account, the Conservation Cost Recovery Account. The Commission ordered DEA to file, on or before April 1 of each year and beginning in 1993, a conservation cost recovery report, i.e. an **Annual Tracker Account Report**.

On March 9, 1993, the Commission issued its ORDER APPROVING FILINGS AS MODIFIED AND REQUIRING FURTHER FILING in Docket No. E-111/GR-91-74. That Order accepted DEA's proposed method for reviewing project budgets for existing demand-side management (DSM) projects and making proposals for new DSM projects. Accordingly, the Cooperative was directed to submit an **Annual Conservation Report** on April 1 of each year.

On April 1, 1993, DEA submitted its first Annual Conservation Report. The matter was assigned to Docket No. E-111/M-93-293. The Cooperative's filing detailed

- the status of its conservation expense tracker account as required by the Commission's September 25, 1992 Order in Docket No. E-111/GR-91-74

*and*

- the demand side management programs the Company intends to implement in 1994 as required by the Commission's March 9, 1993 Order in Docket No. E-111/GR-91-74.

On July 26, 1993, the Commission issued its ORDER ACCEPTING ANNUAL CONSERVATION REPORT. The Commission found that the Cooperative's April 1, 1993 filing was complete and consistent with earlier Orders. Accordingly, the Commission accepted and approved it.

On April 1, 1994, the Cooperative filed two documents: the Annual Conservation Program Report for 1994 and the Annual Tracker Account Report for 1994.<sup>1</sup>

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<sup>1</sup> The Commission's May 10, 1994 Order in Docket No. E-111/M-94-227 changed the date of submission of the Annual Tracker Account Report to February 15. Therefore, starting next year, the Annual Tracker Report and the program filing (Annual Conservation Report) will not be submitted on the same date.

On June 1, 1994, the Minnesota Department of Public Service (the Department) filed comments related to DEA's two April 1 filings.

On July 21, 1994, the Commission met to consider this matter.

## FINDINGS AND CONCLUSIONS

### **A. The DEA's Annual Conservation Program Report for 1994**

DEA included in its conservation program report the following items: an overview and summary of approved DSM projects; proposed 1994 expenses for existing DSM projects; estimated project budgets for 1995; and a discussion of new projects, including the concepts, guidelines, and goals for each project.

The Cooperative proposed a Fluorescent Lighting project in response to 1993 legislation requiring the Minnesota Office of Waste Management (OWM) to study various approaches for collecting spent fluorescent lamps and to offer recommendations for action. Rather than develop a statewide requirement, OWM concluded that individual utilities, counties, and waste haulers should develop lamp recycling efforts based on their unique circumstances. DEA met with Dakota County to discuss ways in which the utility could support the county's existing lamp recycling efforts.

DEA also proposed a new Tree Seedling Program. Under the program, the Cooperative will distribute tree seedlings on Arbor Day and Earth Day. DEA will indicate those trees that can be grown near powerlines, as well as those best for shading of houses in the summertime. DEA also will demonstrate electrical safety around trees. The Cooperative first sponsored these activities in 1993 and now proposes to formally include this program in its conservation offerings.

DEA specifically asked the Commission to approve the two new projects, as well as the Cooperative's proposed 1995 DSM budget: \$809,850.

### **B. DEA's Annual Tracker Account Report for 1994**

DEA's Annual Tracker Account Report for 1994 includes actual data through the end of 1993. The Cooperative included seven schedules that provided various types of information leading to the calculation of a tracker balance.

Conservation expense recovery (used to offset conservation expenses) was calculated by multiplying actual 1993 kWh sales by the \$0.0005/kWh factor established in DEA's last rate case.

The tracker-account balance at the end of 1993 was \$1,323,044.69.

### **C. Commission Analysis**

The Commission is encouraged by the DEA's progress in this area. The Cooperative's efforts to implement effective conservation programs appear to have been successful. While results vary from project to project, the Cooperative is meeting overall participation and energy goals. In addition, Dakota's two new project proposals, the Fluorescent Lighting Program and the Tree Seedling Program, are appropriate additions to DEA's current conservation offerings and will be approved.

Regarding the Annual Tracker Account Report, the Department verified the accuracy of the lost margins, carrying charges, and conservation expenses and a spot check of the calculations by the Commission did not reveal any errors in reporting or calculation. Consequently, the Commission finds that the Cooperative properly calculated its tracker-account balance, including the lost margins, the carrying charge, and conservation expenses. The Commission commends this work, noting that accuracy in the tracker-account balance is very important now, since it is the first step in DEA's calculation of its Resource Adjustment Charge.

### **D. Commission Action**

Based on its review, the Commission will accept the Conservation Program Report, including the proposed budget and the two new proposed projects. The Commission will likewise accept the Tracker Account Report.

### **ORDER**

1. Dakota Electric Association's (DEA's or the Cooperative's) Conservation Program Report for 1994, including the total annual budget and two new projects (the Fluorescent Lighting Program and the Tree Seedling Program), is accepted and approved.
2. DEA's Tracker Account Report for 1994, filed April 1, 1994, including the tracker balance of \$1,323,044.69 at the end of 1993, is accepted and approved. In future years, the Cooperative's Tracker Account Report shall be due on or before February 15.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)